



## State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: March 4, 2013

### **Lincoln County Board of Public Utilities Spent Ratepayer Money on Unapproved Bonuses, Bill Adjustments and Other Questionable Expenses**

Around Easter, some employees at the Lincoln County Board of Public Utilities received Easter eggs with notes inside, informing them that they would be receiving special bonuses. Bonuses were also routinely doled out around other holidays such as Thanksgiving, Christmas and the Fourth of July – or, for some of the more favored employees – almost weekly.

The problem? The utility's former superintendent didn't have board approval to distribute nearly \$300,000 in ratepayer money for bonuses from 2008 through 2011. And that was just one of many issues investigators from the Comptroller's office found during a recent review of the utility's practices.

Employees sometimes received bonuses for doing routine parts of their jobs, such as reporting water theft or scouting possible water intake sites along the river. Some employees received overtime pay even when they didn't work extra hours. Employees also received bonuses through random drawings and marble handouts. One employee received a bonus for "adultery watch," which apparently involved monitoring another employee during work hours.

Findings of the investigation, which were released today, document that the former superintendent also gave more than \$13,000 in water adjustments – essentially, discounts on water bills and new water taps – to utility board members, employees and some customers. Nearly \$4,000 of those adjustments were granted to volunteer firefighters who attended annual dinners held to foster good will between the utility and local fire departments. The rest of the adjustments were given at the former superintendent's discretion.

The investigation also revealed that board members were overpaid more than \$12,000 for attending board meetings, work sessions and "road trips." And the former superintendent and former office manager made more than \$10,000 worth of questionable credit card charges to the district, including more than \$5,000 for meals for employees who were not traveling or conducting official business.

"Ratepayer money is public money, just as taxpayer money is," Comptroller Justin P. Wilson said. "It is inexcusable for public officials to distribute or spend public money for unauthorized

bonuses, water bill discounts or travel and purchases that do not serve work-related purposes. I hope the Lincoln County Board of Public Utilities will take appropriate steps to ensure that these types of abuses don't occur in the future.”

To view the Comptroller's report online, go to: <http://comptroller.tn.gov/la/SpecialReports.asp>

To view scanned images and photographs related to the investigation, go to:  
<http://www.comptroller.tn.gov/repository/CA/2012/lcbpictures.pdf>

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